

**Georgia Higher Education Facilities Authority (“GHEFA”)
Request for Proposals (“RFP”)
for
Underwriters
GHEFA Refunding Revenue Bonds (USG Real Estate Foundation I, LLC Project), Series
2015**

February 26, 2015

GHEFA contemplates the issuance of refunding revenue bonds during 2015 to refund all or a portion of its currently outstanding GHEFA Revenue Bonds (USG Real Estate Foundation I, LLC Project), Series 2008 (the “Series 2008 Bonds”) which were issued to fund the USG Real Estate Foundation I, LLC Project at various institutions of the Board of Regents (“BOR”) of The University System of Georgia (“USG”). GHEFA seeks to retain a qualified senior managing underwriter and co-managing underwriter(s) (any singular designation or combination of senior managing underwriter and co-managing underwriters hereinafter to be referred to as an “underwriting syndicate”) of its contemplated issuance of GHEFA Refunding Revenue Bonds. The GHEFA Refunding Revenue Bonds (USG Real Estate Foundation I, LLC Project), Series 2015 (the “Series 2015 Bonds”) are anticipated to be tax-exempt and not subject to the alternative minimum tax. For purposes of this RFP, the professional team (“Professional Team”) consists of all GHEFA Board members and employees or contract employees of the following:

State Offices:	Georgia Higher Education Facilities Authority Governor’s Office Georgia State Financing and Investment Commission (“Commission”) Office of the Attorney General Board of Regents University System of Georgia Real Estate Foundation University System of Georgia Real Estate Foundation I, LLC
Bond Counsel:	Earle R. Taylor, III, McKenna Long & Aldridge LLP
Disclosure Counsel:	TBD
Financial Advisor:	Public Resources Advisory Group

For consideration, responses must be received by 10:00AM ET on March 16, 2015. All responses will be reviewed by members of a Commission RFP Committee. Based on a review of the proposals received, the Commission RFP Committee may request clarification with respect to any portion of any responder’s proposal and/or that selected firms attend interviews, at their own expense, during the week of March 23, 2015. Any request(s) for clarification regarding this RFP must be made in writing, as will be the response(s) to any such requests. The Commission RFP Committee reserves the right to reject any or all proposals, or any portions or items of a proposal. The Commission RFP Committee will proceed with the selection of an underwriting syndicate based on responsiveness to the RFP and the best interests of GHEFA and the State of Georgia. GHEFA and the Commission reserve the right not to go forward with the anticipated sale of Series 2015 Bonds for any reason. All costs of preparing the proposal shall be solely the responsibility of the proposer; GHEFA, the Commission, the Commission RFP Committee, and the State of Georgia shall have no liability to reimburse the proposers for any costs so incurred.

Records (including all documents, papers, letters, maps, books, tapes, photographs, computer based or generated information, data, data fields, or similar material) submitted

pursuant to this RFP will be subject to disclosure under the Georgia Open Records Act, (O.C.G.A. § 50-18-70 et. seq., as amended). In accordance with O.C.G.A. § 50-18-72(a)(10), pending, rejected, or deferred sealed proposals and related detailed cost estimates will not be disclosed under the Georgia Open Records Act until the earlier of final award of contract, or the project is terminated or abandoned. Should any proposer wish to designate any records containing trade secrets as confidential, the proposer shall, in accordance with O.C.G.A. § 50-18-72(a)(34), submit and attach to the records an affidavit affirmatively stating that specific information in the records constitute trade secrets pursuant to Article 27 of Chapter 1 of Title 10 of the Official Code of Georgia Annotated. If the proposer attaches such an affidavit, then GHEFA shall proceed in accordance with O.C.G.A. § 50-18-72(a)(34) in response to a request for any such designated record pursuant to the Georgia Open Records Act.

I. Background

GHEFA is a body corporate and politic and an instrumentality and public corporation created and existing under the laws of the State of Georgia, particularly the Georgia Higher Education Facilities Authority Act (O.C.G.A Section 20-16-1, et seq., as amended. GHEFA has no taxing power.

The proceeds of the Series 2015 Bonds will be used to refund all or a portion of the outstanding Series 2008 Bonds which funded various projects at several institutions of the USG. Prospective responders may access the Official Statement for the Series 2008 Bonds at http://gsfic.georgia.gov/sites/gsfic.georgia.gov/files/imported/vgn/images/portal/cit_1210/10/42/166564577Series%202008%20Bonds-Official%20Statement.pdf . At this point in time, it is anticipated that the pro rata portion of bonds for the Georgia State Project as further defined and described in the Official Statement for the Series 2008 Bonds will be legally defeased by other means and thus will not be outstanding at the time the Series 2015 Bonds will be issued. The following table shows relevant information regarding the prospective outstanding Series 2008 Bonds which are expected to be outstanding after the defeasance transaction for the Georgia State Project.

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Maturing (June 15)	Interest Rate	Series 2008 Bonds Projected Outstanding Principal (Without Georgia State Project)
2015	4.000%	660,000
2016	4.000%	805,000
2017	4.500%	970,000
2018	4.500%	1,150,000
2019	5.250%	1,350,000
2020	5.000%	1,565,000
2021	5.000%	1,790,000
2022	5.000%	2,040,000
2023	5.000%	2,270,000
2024	5.125%	2,425,000
2025	5.125%	2,590,000
2026	5.250%	2,720,000
2027	6.000%	2,860,000
2028	6.000%	3,035,000
2029	6.000%	3,215,000
2030	6.000%	3,410,000
2031	6.000%	3,610,000
2032	6.000%	3,830,000
2033	6.000%	4,060,000
2034	6.000%	4,300,000
2035	5.625%	4,560,000
2036	5.625%	4,815,000
2037	5.625%	5,090,000
2038	5.625%	5,365,000
2039	6.250%	5,680,000
2040	6.250%	6,035,000

Interest Payment Dates: December 15 and June 15

Call Date: June 15, 2018 at Par

Debt Service Reserve Account: \$3,145,124.49

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II. Proposal

To be deemed responsive, the proposer must include the following in its submission relative to this RFP:

- A. Provide the name of the firm, the firm's proposed role, primary contact for the proposal, personnel to be assigned to the proposed financing and their roles; and provide email addresses and phone numbers for all individuals thus identified.
- B. Briefly describe the firm's experience as a senior book-running underwriter or co-managing underwriter for public higher education revenue bonds during calendar years 2012, 2013, 2014 and 2015 to the date of this RFP. Include specific experience with (a) higher education auxiliary revenue bonds and (b) pooled bond programs. Provide a list in tabular form to include each issuer's name, date, amount issued, description of bonds, credit structure, ratings, and role of the firm for each financing.
- C. Briefly describe the firm's experience as a senior book-running manager or co-managing underwriter for bonds issued in the State of Georgia during calendar years 2012, 2013, 2014 and 2015 to the date of this RFP. Please provide a list in tabular form including each issuer's name, date, amount issued, description of the bonds, ratings, and role of the firm for each financing.
- D. Discuss two recent (within two years of the date of the submitted proposal) completed engagements that are similar to this proposed transaction.
- E. Please provide a proposed plan of finance for GHEFA using the following assumptions:
 - i. Assume that tax-exempt bonds are utilized to accomplish the refunding.
 - ii. Market conditions: As of March 10, 2015 3:00PM ET
 - iii. Security: Assume a security structure parallel to the section "Security for the Series 2008 Bonds" in the Official Statement for the Series 2008 Bonds
 - iv. Fixed rate bonds: All refunding bonds are to be fixed rate current interest bonds
 - v. Redemption Provisions: Ten year par call
 - vi. Dated/Delivery Date: May 20, 2015
 - vii. Principal Payment Dates: June 15, maturing serially, or if term bonds, subject to mandatory redemption each year to create an effective serial maturity structure
 - viii. Final Maturity: Not Later Than June 15, 2040
 - ix. Savings for Refunding Bonds Versus Refunded Bonds: No sinking fund year may have dis-savings versus the currently outstanding bonds (after adjusting for the removal of the pro-rata share of the Series 2008 Bonds issued for the Georgia State Project)
 - x. Securities for Escrow Deposit Account: Utilize the US Treasury Department's State and Local Government Series file in effect at 3:00PM ET on March 10, 2015

- xi. Fixed Costs of Issuance Other Than Underwriter's Discount: \$200,000, to be paid from proceeds of the Series 2015 Bonds
 - a. Attach detailed schedules of the proposed plan of refunding in an appendix. Include sources and uses of funds, debt service, debt service savings calculations, and a calculation of the all-in true interest cost ("TIC") for the plan of refinance.
 - b. Provide pricing scales (coupons and yields) for the proposed refunding bonds. Provide actual yields and spreads to MMD for publicly issued bonds.
 - c. Provide estimated underwriter's discount/purchaser fees as follows:
 - Takedown (by maturity and average takedown);
 - Management fee, if any; and
 - Expenses, including breakdown and underwriters' counsel fees.
- F. Describe the proposed refunding structure and why it was recommended.
- G. The Series 2008 Bonds have an underlying rating of A1 from Moody's Investors Service, which reflects an upgrade in October 2014. Discuss whether or not the Moody's rating should be continued and if additional ratings are needed; if so identify the rating agencies you would recommend to rate the refunding bonds. Discuss your suggested credit rating agency strategy with regard to the proposed plan of refinance. Discuss, in order of importance, your understanding of the key credit considerations for this financing and your suggestions to address those considerations. Discuss what ratings you would expect from your recommended selection of rating agencies.
- H. Describe how you would market the bonds to utilize and maximize the benefit from the rating(s) you would expect to be assigned to the refunding bonds. Also, describe your recommended approach as assessing the potential of utilizing available credit enhancement (such as bond insurance) including an assessment of the additional savings or other benefits to GHEFA that would result from the use of such credit enhancement.
- I. Describe any alternative financing sources such as taxable bonds or possibly federal loan programs, that could be utilized in the refinancing structure and describe the advantages of utilizing such alternative sources. In a separate appendix include all relevant financing schedules for the alternative to include, but not necessarily limited to: sources and uses of funds, debt service schedule for the refunding transaction, schedule of the annual debt service savings, and a present value calculation of such savings.
- J. Provide the name of the firm and the lead individual who you would recommend to serve as underwriters' counsel. **It currently is anticipated that underwriter's counsel will prepare the preliminary and final official statement for the refunding bonds.**
- K. If applicable, provide a discussion of the proposed structure of the underwriting syndicate you believe would be able to sell the bonds at the lowest possible TIC and highest possible savings, given the assumptions described above, including a brief discussion of the use and number of co-managers and suggested underwriting syndicate designation rules.

- L. Provide a timeline including tasks and responsibilities assuming transaction pricing and closing on May 20, 2015.
- M. Provide a summary statement of the firm's capital position as of the date of its most recently published statement of financial position. Include information on the firm's total capital, equity capital, excess net capital and daily average uncommitted capital. (DO NOT provide SEC filings, annual reports, or web links to such documents rather than the description requested.)
- N. Disclose any conflicts of interest or potential conflicts of interest that may arise if the firm is selected for this engagement. Describe the current status and timing of any announced mergers with, or acquisitions of, any other firm that could impact the firm's engagement with GHEFA. Also, in a separate appendix to the Proposal, identify fully the extent to which the firm or individual partners or employees are the subject of any ongoing securities investigation (including investigations undertaken by the SEC, state blue-sky commissions, the U.S. Department of Justice and the Internal Revenue Service pursuant to IRC Section 6700), are a party to any securities litigation or arbitration, or are the subject of a subpoena in connection with a municipal securities investigation, including any investigations involving auction rate securities and bid-rigging. Include any such investigations which concluded in an enforcement or disciplinary action ordered or imposed in the last three years and a description of those actions.
- O. Provide a statement to certify that the firm currently is in compliance with all applicable MSRB rules. For purposes of this RFP, officials of the issuer include the elected officials who serve on the Commission.

III. RFP Responses and Schedule of Events

- A. **Due Date: RFP responses shall be received via e-mail no later than 10:00AM (ET), on March 16, 2015 to the following:**

Diana Pope

Georgia State Financing and Investment Commission
diana.pope@gsfic.ga.gov

Lee McElhannon

Georgia State Financing and Investment Commission
lee.mcelhannon@gsfic.ga.gov

Steven Peyser

Public Resources Advisory Group
speyser@pragadvisors.com

Responses received after that time will be deemed non-responsive and shall not be considered. Proposals must be limited to no more than **15 pages in total and with text not less than 12 point font**, including any cover letter, but excluding exhibits and appendices and response to item II.M, which should be presented as an appendix to the Proposal.

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- B. Additional Information: Any questions or information requests regarding the RFP must be received via email by Steven Peyser, speyser@pragadvisors.com, no later than 2:00PM ET on March 6, 2015. Questions received by that time and answers to those questions will be posted on the Commissions website at: [www.gsfic.georgia.gov] not later than 3:00PM ET, March 10, 2015.
- C. Except as provided for above, firms are not to contact board members or staff of GHEFA, GSFIC or members of the Professional Team (as described on page 1 of this RFP) regarding this RFP. A failure to abide by this requirement will result in automatic disqualification.
- D. RFP Review and Evaluation Process:

The Commission RFP Committee will be responsible for reviewing all proposals. Selection criteria and their relative weighting will include:

- i. Ability and experience of firm and team proposed to execute the transaction (30%)
- ii. The structure proposed and overall cost (30%)
- iii. Proposed compensation (15%)
- iv. Marketing approach and distribution capability (15%)
- v. Overall quality of proposal (10%)

E. Tentative Schedule of Events

<u>Event</u>	<u>Date</u>
Post RFP on GSFIC Website	February 25, 2015
Advertise RFP in The Bond Buyer	February 26, 2015
Submission of Questions	March 6, 2015 3:00PM ET
Post Answers on GSFIC Website	3:00PM ET, March 10, 2015
Submission of Proposals	March 16, 2015 10:00AM ET
Interviews (if held) and Selection of Underwriters	Week of March 23, 2015
Pricing and Closing of Bonds	May 20, 2015